

U.S. Officials Only

CONFIDENTIAL

25X1

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

COUNTRY China

SUBJECT End of Communist "Liquidation Program"
in Swatow/Business at Standstill

DATE DISTR. 30 Aug 54

NO. OF PAGES 2

NO. OF ENCLS.

SUPP. TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
OF THE UNITED STATES. WITHIN THE MEANING OF TITLE 18, SECTIONS 793
AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELA-
TION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS
PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

1. The Chinese Communists have completed their "liquidation program" of "reactionaries" and Kuomintang agents in Swatow. The wealthy families have been broken up and all of the prosperous merchants have either been liquidated or imprisoned. Many of the rich merchants, who chose to remain in Swatow when the city was liberated but who later saw the error of their decisions, committed suicide rather than subject themselves to the indignities which the Communists inflicted on so many of the unfortunate ones. The manager of the Swatow branch of the Bank of China jumped to his death to escape a Communist firing squad. Another wealthy exporter was arrested and, after having his property confiscated, was forced to become a night soil carrier in order to continue to exist. His wife was put to death after serving two years in jail.
2. The other, more fortunate, Swatow merchants who succeeded in fleeing [redacted] just before the Communists took over the city are still being hounded by Communist agents. Letters have been sent to these wealthy Swatow refugees [redacted] demanding contributions. [redacted] The Communists have also tried to force the sales of "Reconstruction bonds" on the Swatow refugees [redacted] but without success. One Swatow refugee [redacted] received four fingers, believed to have been severed from his wife's hand, when he refused to comply with the Communist's demands for money.
3. Swatow is a dead city. There is no shipping of any kind in or out of the port. No attempt has been made to smuggle consumer goods from [redacted] other parts of China simply because there are no buyers in the city. The old highway between Swatow and Hong Kong via Bias Bay area has hardly any traffic because the Communists have banned travelling to the British colony.
4. Trade in the two main Swatow exports is at a complete standstill. All the famous Swatow lace factories have been closed. Prior to the Communist regime, Swatow exported some US\$20,000,000 annually in lace products. Some of the lace producers are still doing business in Hong Kong though on a greatly reduced scale. The export of Swatow

U.S. Officials Only

CONFIDENTIAL

DISTRIBUTION	STATE -Ev	ARMY -X	NAVY -X	AIR -X	FBI					
--------------	-----------	---------	---------	--------	-----	--	--	--	--	--

This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

25X1

CONFIDENTIAL

- 2 -

labor to Malaya, once a prosperous business, no longer occurs. No one is able to get out of Swatow without the Communist's permission which is all but impossible to obtain.

5. The Communists have a complete grip on the people in Swatow. One resident, who secretly tuned in on the Voice of America program, was arrested and executed.

- end -

25X1

CONFIDENTIAL